

Senate Bill No. 1326

CHAPTER 454

An act to amend Sections 10509 and 10511 of the Elections Code, and to amend Sections 6588, 6598.5, 6599.1, 8855, 14672.99, 23115, 23119, 25200, 25205, 25526.5, 26881, 26920, 26922, 36936, 37392, 53205.1, 53356.05, 53359.5, 53601, 53635, 53646, and 54960.1 of, to add Section 61601.20 to, and to repeal Sections 26921, 26923, and 29746 of, the Government Code, and to amend Sections 5786.7, 8801, 8815.1, 8815.2, 8815.3, 8817, and 8819 of, to amend and renumber Section 8812 of, to add Section 8812 to, to repeal Sections 8811, 8813.1, and 8813.2 of, and to repeal and add Sections 8813 and 8815.4 of, the Public Resources Code, and to amend Sections 50731.5 and 50731.6 of the Water Code, relating to local government.

[Approved by Governor September 10, 2002. Filed
with Secretary of State September 10, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1326, Committee on Local Government. Local Government Omnibus Act of 2002.

(1) Existing law requires the secretary of the governing body of a special district to deliver a notice to the county election official that, among other things, specifies the elective offices of the special district to be filled at the next general election.

This bill would require the secretary to specify which offices are for the balance of an unexpired term.

(2) Existing law specifies the declaration of candidacy form for a special district office.

This bill would make technical corrections to the form.

(3) Existing law creates the California Debt and Investment Advisory Commission with various duties relative to the issuance of municipal bonds.

This bill would revise and recast certain of those provisions to, among other things, rename the commission to the California Debt and Investment Advisory Commission, delete a requirement to select a vice chair and secretary, and require, by May 1, 2006, a specified report to the Legislature. The bill would make related changes in provisions relating to municipal investments.

(4) Existing law authorizes the lease of a portion of the Ione Youth Facility to the County of Amador on behalf of the Mother Lode Juvenile Facility Authority.

This bill would delete the reference to the Mother Lode Juvenile Facility Authority.

(5) Existing law sets forth the boundaries of Kern and Los Angeles Counties and authorizes counties to change, alter, or reform their boundaries by initiating a petition or by a resolution adopted by the legislative bodies.

This bill would revise the statutory descriptions of the boundaries of Kern and Los Angeles Counties, as specified.

(6) Existing law authorizes the board of supervisors to divide the county into election, school, road, supervisorial, sanitary, and other districts.

This bill would delete the references to school, sanitary, and other districts.

(7) Existing law authorizes a county board of supervisors to sell, exchange, quitclaim, or convey surplus real property without publishing and posting formal notices if the value of the property does not exceed \$10,000.

This bill would increase the maximum amount to which the provision applies to \$25,000.

(8) Existing law requires the county auditor or auditor-controller to exercise general supervision over the accounts of the county.

This bill would specify that those duties include the ability to review internal controls.

(9) Existing law authorizes the board of supervisors to apportion the compensation of county officers who perform municipal duties.

This bill would delete an obsolete reference from that provision.

(10) Existing law prescribes the duties of the county board of supervisors, district attorney, and auditor regarding counting money in the county treasury.

This bill would recast those provisions to generally require the county auditor to review the treasurer's statement of assets, as specified, thereby creating a state-mandated local program by imposing new duties on the county auditor and treasurer.

(11) Existing law requires the county auditor to report weekly to the board of supervisors regarding rejected claims.

This bill would delete that provision.

(12) Existing law requires a vote of at least 3 city council members for passage of specified resolutions, orders, and ordinances.

This bill instead would require a majority vote of the membership of the council.

(13) Existing law authorizes a city or its departments to lease or sublease land to the Department of Natural Resources for housing men, women, and equipment.



This bill instead would authorize a city or its departments to lease or sublease land to the state for housing personnel and equipment.

(14) Existing law authorizes local agencies to fund health and welfare benefits for spouses and children.

This bill would authorize those benefits to be funded for spouses and dependent children of retired officers and employees.

(15) Existing law authorizes specified persons to commence an action for a judicial determination that actions of a local agency violated specified public meeting laws.

This bill would include provisions relative to emergency meetings within those specified laws.

(16) Existing law authorizes a community services district to exercise powers, including, among other things, the constructing, opening, widening, extending, straightening, surfacing, and maintaining, in whole or in part, of any street in the district, subject to the consent of the governing body of the county or city in which the improvement is to be made.

This bill would authorize the Nipomo Community Services District to adopt by resolution the power to install or plant and maintain landscaping within public street rights-of-way or easements within the district.

(17) Existing law authorizes park and recreation districts to provide, among other things, community recreation programs, recreation facilities, parks, and open space.

This bill would authorize the Parker Dam Recreation and Park District, the Coachella Valley Recreation and Park District, and the Hesperia Recreation and Park District to provide street lighting facilities and services.

(18) Existing law contains provisions relative to establishing a system of coordinates for mapping and surveying purposes.

This bill would revise those provisions, as specified.

(19) Existing law provides for the election of trustees to the board of a reclamation district at a time and place designated by the county board of supervisors and requires the secretary of the board to publish a notice at least 7 days prior to the final date for receiving petitions for nominations for the office of trustee.

This bill would require that the notice state that the petition must indicate whether the nomination is for an unexpired term and would make technical corrections to the official filing petition.

(20) This bill would incorporate additional changes in Section 53635 of the Government Code proposed by AB 2122, to be operative only if AB 2122 and this bill are both enacted and become effective on or before January 1, 2003, and this bill is enacted last.



(21) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. (a) This act shall be known and may be cited as the Local Government Omnibus Act of 2002.

(b) The Legislature finds and declares that Californians desire their government to be run efficiently and economically, and that public officials should avoid waste and duplication whenever possible. The Legislature further finds and declares that it desires to control its own operating costs by reducing the number of separate bills. Therefore, it is the intent of the Legislature in enacting this act to combine several minor, noncontroversial statutory changes relating to local government into a single measure.

SEC. 2. Section 10509 of the Elections Code is amended to read:

10509. On the 125th day prior to the day fixed for the general district election, the secretary shall deliver a notice to the county elections official. The notice shall bear the secretary's signature and the district seal and shall also contain both of the following:

(a) The elective offices of the district to be filled at the next general district election, specifying which offices, if any, are for the balance of an unexpired term.

(b) Whether the district or the candidate is to pay for the publication of a statement of qualifications pursuant to Section 13307.

SEC. 2.5. Section 10511 of the Elections Code is amended to read:

10511. The declaration of candidacy shall be in substantially the following form:



I, _____, do hereby declare myself as a candidate for election to the office of _____. (___ Initial here if the election in which you are running is for the balance of an unexpired term.) I am a registered voter.

If elected, I will qualify and accept the office of _____ and serve to the best of my ability. I request my name be placed on the official ballot of the district for the election to be held on the ____ day of _____, 20____, and that my name appear on the ballot as follows:

(Print name above)

My current residence address is _____

and my telephone number is _____.

I desire the following occupational designation to appear on the ballot under my name:

(Print desired designation, if any, above)

This occupational designation is true and in conformance with Section 13107 of the Elections Code.

I am aware that any person who files or submits for filing a declaration of candidacy knowing that it or any part of it has been made falsely is punishable by a fine or imprisonment, or both, as set forth in Section 18203 of the Elections Code.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____, 20____,

at _____ (Place)

(Signature of Candidate)

SEC. 2.7. Section 6588 of the Government Code is amended to read: 6588. In addition to other powers specified in an agreement pursuant to Article 1 (commencing with Section 6500) and Article 2 (commencing with Section 6540), the authority may do any or all of the following:

(a) Adopt bylaws for the regulation of its affairs and the conduct of its business.

(b) Sue and be sued in its own name.

(c) Issue bonds, including, at the option of the authority, bonds bearing interest, to pay the cost of any public capital improvement, working capital, or liability or other insurance program. In addition, for

any purpose for which an authority may execute and deliver or cause to be executed and delivered certificates of participation in a lease or installment sale agreement with any public or private entity, the authority, at its option, may issue or cause to be issued bonds, rather than certificates of participation, and enter into a loan agreement with the public or private entity.

(d) Engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this article.

(e) As provided by applicable law, employ and compensate bond counsel, financial consultants, and other advisers determined necessary by the authority in connection with the issuance and sale of any bonds.

(f) Contract for engineering, architectural, accounting, or other services determined necessary by the authority for the successful development of a public capital improvement.

(g) Pay the reasonable costs of consulting engineers, architects, accountants, and construction, land-use, recreation, and environmental experts employed by any sponsor or participant if the authority determines those services are necessary for the successful development of public capital improvements.

(h) Take title to, and sell by installment sale or otherwise, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in lands that are located within the state that the authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof.

(i) Receive and accept from any source, loans, contributions, or grants, in either money, property, labor, or other things of value, for, or in aid of, the construction financing, or refinancing of public capital improvement, or any portion thereof or for the financing of working capital or insurance programs, or for the payment of the principal of and interest on bonds if the proceeds of those bonds are used for one or more of the purposes specified in this section.

(j) Make secured or unsecured loans to any local agency in connection with the financing of capital improvement projects, working capital or insurance programs in accordance with an agreement between the authority and the local agency. However, no loan shall exceed the total cost of the public capital improvements, working capital or insurance needs of the local agency as determined by the local agency and by the authority.

(k) Make secured or unsecured loans to any local agency in accordance with an agreement between the authority and the local agency to refinance indebtedness incurred by the local agency in



connection with public capital improvements undertaken and completed.

(l) Mortgage all or any portion of its interest in public capital improvements and the property on which any project is located, whether owned or thereafter acquired, including the granting of a security interest in any property, tangible or intangible.

(m) Assign or pledge all or any portion of its interests in mortgages, deeds of trust, indentures of mortgage or trust, or similar instruments, notes, and security interests in property, tangible or intangible, of a local agency to which the authority has made loans, and the revenues therefrom, including payment or income from any interest owned or held by the authority, for the benefit of the holders of bonds issued to finance public capital improvements. The pledge of moneys, revenues, accounts, contract rights, or rights to payment of any kind made by or to the authority pursuant to the authority granted in this part shall be valid and binding from the time the pledge is made for the benefit of the pledgees and successors thereto, against all parties irrespective of whether the parties have notice of the claim.

(n) Lease the public capital improvements being financed to a local agency, upon terms and conditions that the authority deems proper; charge and collect rents therefor; terminate any lease upon the failure of the lessee to comply with any of the obligations of the lease; include in any lease provisions that the lessee shall have options to renew the lease for a period or periods, and at rents as determined by the authority; purchase or sell by an installment agreement or otherwise any or all of the public capital improvements; or, upon payment of all the indebtedness incurred by the authority for the financing or refinancing of the public capital improvements, the authority may convey any or all of the project to the lessee or lessees.

(o) Charge and apportion to local agencies that benefit from its services the administrative costs and expenses incurred in the exercise of the powers authorized by this article. These fees shall be set at a rate sufficient to recover, but not exceed, the authority's costs of issuance and administration. The fee charged to each local obligation acquired by the pool shall not exceed that obligation's proportionate share of those costs. The level of these fees shall be disclosed to the California Debt and Investment Advisory Commission pursuant to Section 6599.1.

(p) Issue, obtain, or aid in obtaining, from any department or agency of the United States or of the state, or any private company, any insurance or guarantee to, or for, the payment or repayment of interest or principal, or both, or any part thereof, on any loan, lease, or obligation or any instrument evidencing or securing the same, made or entered into pursuant to this article.



(q) Notwithstanding any other provision of this article, enter into any agreement, contract, or any other instrument with respect to any insurance or guarantee; accept payment in the manner and form as provided therein in the event of default by a local agency; and assign any insurance or guarantee that acts as security for the authority's bonds.

(r) Enter into any agreement or contract, execute any instrument, and perform any act or thing necessary, convenient, or desirable to carry out any power authorized by this article.

(s) Invest any moneys held in reserve or sinking funds, or any moneys not required for immediate use or disbursement, in obligations that are authorized by law for the investment of trust funds.

(t) At the request of affected local agencies, combine and pledge revenues to public capital improvements for repayment of one or more series of bonds issued pursuant to this article.

(u) Delegate to any of its individual parties or other responsible individuals the power to act on its behalf subject to its general direction, guidelines, and oversight.

(v) Purchase, with the proceeds of its bonds or its revenue, bonds issued by any local agency at public or negotiated sale. Bonds purchased pursuant to this subdivision may be held by the authority or sold to public or private purchasers at public or negotiated sale, in whole or in part, separately or together with other bonds issued by the authority.

(w) Set any other terms and conditions on any purchase or sale pursuant to this section as it deems by resolution to be necessary, appropriate, and in the public interest, in furtherance of the purposes of this article.

SEC. 3. Section 6598.5 of the Government Code is amended to read:

6598.5. Local agencies may request advice from the California Debt and Investment Advisory Commission pursuant to Section 8859 regarding the formation of local bond pooling authorities and the planning, preparing, insuring, marketing, and selling of bonds as authorized pursuant to this article.

SEC. 4. Section 6599.1 of the Government Code is amended to read:

6599.1. (a) The legislative body shall, no later than 30 days prior to the sale of any bonds pursuant to this article, give written notice of the proposed sale to the California Debt and Investment Advisory Commission by mail, postage prepaid, as required by Chapter 11.5 (commencing with Section 8855) of Division 1 of Title 2.

(b) Beginning January 1, 1996, each year after the sale of any bonds by the authority for the purpose of acquiring local obligations, the legislative body shall, not later than October 30 of each year until the final maturity of the bonds, supply the following information to the



California Debt and Investment Advisory Commission by mail, postage prepaid:

- (1) The principal amount of bonds outstanding, both authority bonds and local obligations acquired with the proceeds of authority bonds.
- (2) The balance in the reserve fund.
- (3) The costs of issuance, including any ongoing fees.
- (4) The total amount of administrative fees collected.
- (5) The amount of administrative fees charged to each local obligation.
- (6) The interest earnings and terms of all guaranteed investment contracts.
- (7) Commissions and fees paid on guaranteed investment contracts.
- (8) The delinquency rates on all local obligations.
- (9) The balance in capitalized interest accounts.

(c) In addition, with respect to any bonds sold pursuant to this article, regardless of when sold, and until the final maturity of the bonds, the legislative body shall notify the California Debt and Investment Advisory Commission by mail, postage prepaid, within 10 days if any of the following events occur:

- (1) The local agency or its trustee fails to pay principal and interest due on any scheduled payment date.
- (2) Funds are withdrawn from a reserve fund to pay principal and interest on the bonds issued by the authority or any bonds acquired by the authority.
- (d) Neither the legislative body nor the California Debt and Investment Advisory Commission shall be liable for any inadvertent error in reporting the information required by this section.

SEC. 5. Section 8855 of the Government Code is amended to read:

8855. (a) There is created the California Debt and Investment Advisory Commission, consisting of nine members, selected as follows:

- (1) The Treasurer, or his or her designee.
- (2) The Governor or the Director of Finance.
- (3) The Controller, or his or her designee.
- (4) Two local government finance officers appointed by the Treasurer, one each from among persons employed by a county and by a city or a city and county of this state, experienced in the issuance and sale of municipal bonds and nominated by associations affiliated with these agencies.
- (5) Two Members of the Assembly appointed by the Speaker of the Assembly.
- (6) Two Members of the Senate appointed by the Senate Committee on Rules.

(b) (1) The term of office of an appointed member is four years, but appointed members serve at the pleasure of the appointing power. In case of a vacancy for any cause, the appointing power shall make an appointment to become effective immediately for the unexpired term.

(2) Any legislators appointed to the commission shall meet with and participate in the activities of the commission to the extent that the participation is not incompatible with their respective positions as Members of the Legislature. For purposes of this chapter, the Members of the Legislature shall constitute a joint interim legislative committee on the subject of this chapter.

(c) The Treasurer shall serve as chairperson of the commission and shall preside at meetings of the commission.

(d) Appointed members of the commission shall not receive a salary, but shall be entitled to a per diem allowance of fifty dollars (\$50) for each day's attendance at a meeting of the commission not to exceed three hundred dollars (\$300) in any month, and reimbursement for expenses incurred in the performance of their duties under this chapter, including travel and other necessary expenses.

(e) The commission may adopt bylaws for the regulation of its affairs and the conduct of its business.

(f) The commission shall meet on the call of the chairperson, at the request of a majority of the members, or at the request of the Governor. A majority of all nonlegislative members of the commission constitutes a quorum for the transaction of business.

(g) The office of the Treasurer shall furnish all administrative and clerical assistance required by the commission.

(h) The commission shall do all of the following:

(1) Assist all state financing authorities and commissions in carrying out their responsibilities as prescribed by law, including assistance with respect to federal legislation pending in Congress.

(2) Upon request of any state or local government units, to assist them in the planning, preparation, marketing, and sale of new debt issues to reduce cost and to assist in protecting the issuer's credit.

(3) Collect, maintain, and provide comprehensive information on all state and all local debt authorization, sold and outstanding, and serve as a statistical clearinghouse for all state and local debt issues. This information shall be readily available upon request by any public official or any member of the public.

(4) Maintain contact with state and municipal bond issuers, underwriters, credit rating agencies, investors, and others to improve the market for state and local government debt issues.

(5) Undertake or commission studies on methods to reduce the costs and improve credit ratings of state and local issues.



(6) Recommend changes in state laws and local practices to improve the sale and servicing of state and local debts.

(7) Establish a continuing education program for local officials having direct or supervisory responsibility over municipal investments, and debt issuance. The commission shall undertake these and any other activities necessary to disclose investment and debt issuance practices and strategies that may be conducive for oversight purposes.

(8) Collect, maintain, and provide information on local agency investments of public funds for local agency investment.

(9) Publish a monthly newsletter describing and evaluating the operations of the commission during the preceding month.

(i) The city, county, or city and county investor of any public funds, no later than 60 days after the close of the second and fourth quarters of each calendar year, shall provide the quarterly reports required pursuant to Section 53646 and, no later than 60 days after the close of the second quarter of each calendar year and 60 days after the subsequent amendment thereto, provide the statement of investment policy required pursuant to Section 53646, to the commission by mail, postage prepaid, or by any other method approved by the commission. The commission shall collect these reports to further its educational responsibilities as described under subdivision (e). Nothing in this section shall be construed to create additional oversight responsibility for the commission or any of its members. Sole responsibility for control, oversight, and accountability of local investment decisions shall remain with local officials. The commission shall not be considered to have any fiduciary duty with respect to any local agency income report received under this subdivision. In addition, the commission shall not have any legal liability with respect to these investments.

(j) The commission, no later than May 1, 2006, shall report to the Legislature describing its activities since the inception of the local agency investment reporting program regarding the collection and maintenance of information on local agency investment reporting practices and how the commission uses that information to fulfill its statutory goals.

(k) The issuer of any proposed new debt issue of state or local government shall, no later than 30 days prior to the sale of any debt issue at public or private sale, give written notice of the proposed sale to the commission, by mail, postage prepaid. This subdivision shall also apply to any nonprofit public benefit corporation incorporated for the purpose of acquiring student loans. The notice shall include the proposed sale date, the name of the issuer, the type of debt issue, and the estimated principal amount of the debt. Failure to give this notice shall not affect the validity of the sale.



(l) The issuer of any new debt issue of state or local government, not later than 45 days after the signing of the bond purchase contract in a negotiated or private financing, or after the acceptance of a bid in a competitive offering, shall submit a report of final sale to the commission by mail, postage prepaid, or by any other method approved by the commission. A copy of the final official statement for the issue shall accompany the report of final sale. The commission may require information to be submitted in the report of final sale that it considers appropriate.

SEC. 6. Section 14672.99 of the Government Code is amended to read:

14672.99. (a) Notwithstanding Section 14670, the Director of General Services, with the consent of the Department of the Youth Authority, shall lease a five acre portion of the Ione Youth Facility as designated by the Department of the Youth Authority, for a term not to exceed 30 years and at the rate of one dollar (\$1) per year, to the County of Amador for use as a regional juvenile detention facility.

(b) The lease shall provide that the property shall be leased “as is” and that the state shall have no liability for repairs, rehabilitation, or other improvements. It shall provide that the lessee county shall complete the detention facility not later than three years after the effective date of the lease, and that the facility shall be operated by the County of Amador pursuant to the terms of the lease.

(c) The lease described in this section shall be exempt from the requirements of Division 13 (commencing with Section 21000) of the Public Resources Code.

(d) The Department of General Services shall be reimbursed for its costs related to the lease, including, but not limited to, any survey costs, title transfer fees, and department staff time.

(e) The Legislature finds and declares that the lease of a portion of the Ione Youth Facility to the County of Amador for use as a juvenile detention facility pursuant to this section, is for a statewide public purpose.

SEC. 6.5. Section 23115 of the Government Code is amended to read:

23115. The boundaries of Kern County are as follows:

Beginning at the northwest corner, being the common corner of San Luis Obispo, Kings, and Kern; thence east, on the sixth standard south of Mount Diablo base, to the northwest corner of Sec. 1, T. 25 S., R. 40 E., M. D. B. & M., said point being the northeast corner of Kern and the northwest corner of San Bernardino; thence south on the westerly line of San Bernardino to the southeast corner of Sec. 32, T. 9 N., R. 7 W., S. B. B. & M., forming the southeast corner of Kern; thence west along



the township line between T. 8 and 9 N. of San Bernardino base to the east line of Sec. 2, T. 8 N., R. 19 W., S. B. B. & M., thence south, along said east line, to the south line of said Sec. 2.; thence west, along said south line, and the south line of Sec. 3, T. 8 N., 19 W., S. B. B. & M. to the east right-of-way line of Interstate 5; thence north, along said right-of-way line to a point on the north line of said Sec. 3; thence west along the township line between T. 8 and 9 N. of San Bernardino base to a point on the north line of Sec. 4, T. 8 N., R. 19 W., S. B. B. & M., said point being the northwest corner of Los Angeles; thence southeasterly along the westerly line of Los Angeles to the southerly line of Sec. 10, T. 8 N., R. 19 W., S. B. B. & M., said point being the corner common to Ventura, Los Angeles, and Kern; thence westerly and northwesterly along the northern boundary of Ventura to the corner common to Santa Barbara, Ventura, and Kern; thence along the northern boundary of Santa Barbara to the corner common to San Luis Obispo, Santa Barbara, and Kern; thence northerly along the eastern boundary of San Luis Obispo to the place of beginning.

SEC. 6.7. Section 23119 of the Government Code is amended to read:

23119. The boundaries of Los Angeles County are as follows:

Beginning at a point in the southwesterly boundary line of the State of California, said point being on the southerly prolongation of the westerly boundary line of Rancho Topanga Malibu Sequit; thence northerly along said prolongation and westerly line of said rancho to the northwesterly corner thereof; thence northeasterly in a direct line to corner number seven of the boundary of Rancho Simi; thence easterly along line number seven, northerly along line number eight, easterly along line number nine of the boundary of Rancho Simi to corner number ten of the boundary of Rancho Simi; thence following the boundary line as surveyed by E. T. Wright and J. T. Stow, county surveyors, in June and July, 1881, as shown on map recorded in book 43, page 25 et seq., miscellaneous records of Los Angeles County as follows: north 105.01 chains to a point; thence north 07 degrees 29 minutes W., 157.50 chains to a point; thence north 21 degrees 57 minutes W., to a point in the north line of Sec. 4, T. 8 N., R. 19 W., S. B. B. & M., distant westerly along said north line 1,400 feet, more or less, from the northeast corner of said Sec. 4, said point being common to the boundaries of Kern, Ventura, and Los Angeles; thence east along the north line of T. 8 N., S. B. B. & M., to the easterly line of Golden State Freeway (Interstate 5); thence southwesterly, southerly, and southeasterly along said easterly line to the south line of Sec. 3, T. 8 N., R. 19 W., S. B. B. & M.; thence easterly along said south line and the south line of Sec. 2, T. 8 N., R. 19 W., S. B. B. & M., to the southeast



corner of said Sec. 2; thence northerly along the east line of said Sec. 2 to the north line of T. 8 N., S. B. M.; thence easterly along the north line of T. 8 N., S. B. B. & M. to the northeast corner of T. 8 N., R. 8 W., S. B. B. & M., said corner being a point common to the boundaries of San Bernardino, Kern, and Los Angeles;

Thence south along the range line between R. 7 and 8 W., to the southeast corner of T. 6 N., R. 8 W., S. B. B. & M.; thence east along the township line between T. 5 and 6 N., to the northeast corner of T. 5 N., R. 8 W., S. B. B. & M.; thence south along the range line between R. 7 and 8 W., to a point in the east line of Sec. 12, T. 4 N., R. 8 W., S. B. B. & M., distant southerly 940 feet, measured along said east line, from the northeast corner of said Sec. 12; thence southerly in a direct line to the summit of San Antonio Peak; thence southerly along a straight line which passes through the northwest corner of Rancho Cucamonga to a point in said straight line distant south $11^{\circ}51'04''$ west thereon, 333.81 feet from its intersection with the north line of Tract 37, T. 2 N., R. 7 W., S. B. B. & M.; thence north $25^{\circ}38'59''$ west, 15.06 feet; thence south $70^{\circ}15'29''$ west, 47.76 feet; thence south $09^{\circ}57'30''$ east, 62.51 feet; thence south $34^{\circ}17'02''$ east, 36.94 feet to said straight line; thence continuing southerly along said straight line to a point in said straight line distant north $11^{\circ}51'04''$ east, 547.37 feet from its intersection with the south line of said Tract 37; thence south $84^{\circ}57'02''$ west, 35.25 feet; thence south $23^{\circ}47'27''$ west, 75.70 feet to the beginning of a nontangent curve concave to the southwest having a radius of 181.00 feet and to which beginning a radial line bears south $29^{\circ}24'24''$ west; thence southeasterly along said curve through a central angle of $12^{\circ}08'32''$ an arc distance of 38.36 feet to the beginning of a reverse curve concave to the northeast having a radius of 169.00 feet; thence southeasterly 16.07 feet along said curve through a central angle of $05^{\circ}26'52''$ to said straight line; thence southwest in a direct line to the northwest corner of Rancho Cucamonga, thence southwesterly along the northwesterly boundary line of Rancho Cucamonga to the most westerly corner of Rancho Cucamonga; thence southwesterly in a direct line to the northeast corner of Rancho San Jose; thence southwesterly and westerly along the easterly and southerly boundary lines of Rancho San Jose to the range line between R. 8 and 9 W. in T. 2 S., S. B. B. & M.;

Thence south along the range line between R. 8 and 9 W., to the southeast corner of Sec. 12, T. 2 S., R. 9 W., S. B. B. & M., said corner being an angle point in the boundary line of Rancho Santa Ana del Chino; thence westerly, southwesterly, southerly, easterly, and southerly along the boundary line of Rancho Santa Ana del Chino to the southwest corner of Rancho Santa Ana del Chino, said corner being the center of Sec. 35, T. 2 S., R. 9 W., S. B. B. & M.; thence southeasterly in a straight



line to a point in the south line of Sec. 36, T. 2 S., R. 9 W., S. B. B. & M., distant 52.84 feet easterly thereon from the southwest corner of said Sec. 36, said point being common to the boundaries of San Bernardino, Orange, and Los Angeles; thence westerly along the northern line of Orange to the southeasterly corner of Tract No. 46685 filed in Book 1209, pages 56 and 57, of Maps, in the office of the Recorder of the County of Los Angeles, said southeasterly corner being common to the boundaries of Orange and Los Angeles; thence northerly following along the boundary of said Tract No. 46685, the following courses: north $13^{\circ}53'07''$ east 100.12 feet, north $76^{\circ}01'25''$ west 1018.58 feet, north $85^{\circ}34'56''$ west 163.25 feet, and south $00^{\circ}57'29''$ west 47.01 feet to a point in the northerly line of Tract No. 25335, filed in Book 775, pages 35 and 36, of said Maps, said point distant westerly along said northerly line 10.26 feet from the northeasterly corner of said Tract No. 25335; thence northwesterly following along the boundary of said Tract No. 25335 the following courses: north $76^{\circ}00'59''$ west 1224.52 feet and south $00^{\circ}52'39''$ west 564.75 feet to a point on the boundary common to Orange and Los Angeles; thence westerly along the northern line of Orange to the southwesterly boundary line of the State of California; thence northwesterly along the southwesterly boundary line of the State of California to the point of beginning. Also the Islands of Santa Catalina and San Clemente.

SEC. 7. Section 25200 of the Government Code is amended to read:

25200. The board of supervisors may divide the county into election, road, and supervisorial districts and change their boundaries as convenience requires.

SEC. 8. Section 25205 of the Government Code is amended to read:

25205. If any county officer performs municipal duties imposed by a charter framed under Section 8 of Article XI of the California Constitution, the compensation and expense of the officer may be apportioned by the board of supervisors in proportion to the duties performed as a county officer under the general laws and performed as a municipal officer under the charter provision. The compensation determined to be for the performance of municipal duties shall be paid from municipal funds and the compensation determined to be for county duties shall be paid from county funds.

SEC. 8.5. Section 25526.5 of the Government Code is amended to read:

25526.5. Whenever the board of supervisors determines that any real property or interest therein belonging to the county is no longer necessary for county or other public purposes, and its estimated value does not exceed twenty-five thousand dollars (\$25,000), the county may sell, exchange, quitclaim, or convey that real property or interest therein



in the manner and upon the terms and conditions approved by the board of supervisors without complying with any other sections in this article. The board of supervisors may, by ordinance, designate an appropriate county officer or officers to execute sales of the real property or interest therein, provided that notice of intention that the county officer or officers will execute the sale shall be posted in a public place for five working days prior to effecting the transfer.

SEC. 9. Section 26881 of the Government Code is amended to read:

26881. The county auditor, or in counties that have the office of controller, the auditor-controller shall be the chief accounting officer of the county. Upon order of the board of supervisors, the auditor or auditor-controller shall prescribe, and shall exercise a general supervision, including the ability to review departmental and countywide internal controls, over the accounting forms and the method of keeping the accounts of all offices, departments and institutions under the control of the board of supervisors and of all districts whose funds are kept in the county treasury.

SEC. 10. Section 26920 of the Government Code is amended to read:

26920. (a) At least once in each quarter, the county auditor shall perform a review of the treasurer's statement of assets in the county treasury. The auditor's review shall be accomplished in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The treasurer shall prepare a statement showing the amount and type of assets in the county treasury as of the date of the review. The review shall include:

(1) Counting cash in the county treasury.

(2) Verifying that the records of the county treasurer and auditor are reconciled pursuant to Section 26905.

(3) A report to the board of supervisors issued in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

(b) The auditor shall, at least annually, perform or cause to be performed an audit of the assets in the county treasury and express an opinion whether the treasurer's statement of assets is presented fairly and in accordance with generally accepted accounting principles. The audit report shall be addressed to the board of supervisors. The review required by subdivision (a) need not be performed for the period when an audit is conducted in accordance with this subdivision.

SEC. 11. Section 26921 of the Government Code is repealed.

SEC. 12. Section 26922 of the Government Code is amended to read:



26922. One copy of the report prepared pursuant to Section 26920 shall be filed in the office of the clerk of the board of supervisors, and the auditor shall post and maintain the other in his or her office for at least one quarter.

SEC. 13. Section 26923 of the Government Code is repealed.

SEC. 14. Section 29746 of the Government Code is repealed.

SEC. 15. Section 36936 of the Government Code is amended to read:

36936. Resolutions, orders for the payment of money, and all ordinances require a recorded majority vote of the total membership of the city council.

SEC. 16. Section 37392 of the Government Code is amended to read:

37392. A city or any of its departments may lease or sublease land to the state for housing personnel and equipment, or to the State Adjutant General for military or armory purposes, for not to exceed 99 years.

SEC. 17. Section 53205.1 of the Government Code is amended to read:

53205.1. (a) From funds under its jurisdiction, the legislative body may authorize payment of all or any portion as it may elect of the premiums, dues, or other charges for health and welfare benefits on the spouse and dependent children under the age of 21, dependent children under the age of 25 who are full-time students at a college or university, and dependent children regardless of age who are physically or mentally incapacitated, of those officers and employees, including retired officers and employees, subject to the jurisdiction and for whom those health and welfare benefits have been provided.

(b) Those expenditures are charges against the funds. If the employer pays any portion of the premiums for that insurance, any dividend paid or premiums refunded under any such insurance up to the aggregate expenditures of the employer for that insurance are the employer's property. The excess, if any, shall be applied by the employer for the benefit of insured employees or their dependents generally.

SEC. 18. Section 53356.05 of the Government Code is amended to read:

53356.05. The bond indenture or other bond documents may provide that the legislative body agrees to notify one or more parties, including the underwriter or other first purchaser of the bonds, an appropriate national repository for bond information approved by the Securities and Exchange Commission, or the California Debt and Investment Advisory Commission, if specified events occur that may affect the market value of outstanding bonds. These events may include, but are not limited to, the following, for example:



(a) Withdrawal of funds from any reserve fund for the bonds, such that the balance in the fund falls below a specified percentage of the amount required by bond documents.

(b) Draw upon a letter of credit or other credit enhancement for the bonds.

(c) Filing for bankruptcy by a developer or other owner of more than a specified percentage of the area or property value within the district.

(d) Unforeseen discovery of toxic materials or rare and endangered plant or animal species within areas of the district proposed for development.

SEC. 19. Section 53359.5 of the Government Code is amended to read:

53359.5. (a) The legislative body shall, no later than 30 days prior to the sale of any bonds pursuant to this article, give written notice of the proposed sale to the California Debt and Investment Advisory Commission by mail, postage prepaid, as required by Chapter 11.5 (commencing with Section 8855) of Division 1 of Title 2.

(b) On and after January 1, 1993, each year after the sale of any bonds, including refunding bonds, pursuant to this article, and until the final maturity of the bonds, the legislative body shall, not later than October 30 of each year, supply the following information to the California Debt and Investment Advisory Commission by mail, postage prepaid:

(1) The principal amount of bonds outstanding.

(2) The balance in the bond reserve fund.

(3) The balance in the capitalized interest fund, if any.

(4) The number of parcels that are delinquent with respect to their special tax payments, the amount that each parcel is delinquent, the length of time that each has been delinquent, and when foreclosure was commenced for each delinquent parcel.

(5) The balance in any construction funds.

(6) The assessed value of all parcels subject to special tax to repay the bonds as shown on the most recent equalized roll.

(c) In addition, with respect to any bonds sold pursuant to this article, regardless when sold, and until the final maturity of the bonds, the legislative body shall notify the California Debt and Investment Advisory Commission by mail, postage prepaid, within 10 days if any of the following events occur:

(1) The local agency or its trustee fails to pay principal and interest due on any scheduled payment date.

(2) Funds are withdrawn from a reserve fund to pay principal and interest on the bonds beyond levels set by the California Debt and Investment Advisory Commission.



(d) Neither the legislative body nor the California Debt and Investment Advisory Commission shall be liable for any inadvertent error in reporting the information required by this section.

SEC. 20. Section 53601 of the Government Code is amended to read:

53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having money in a sinking fund or money in its treasury not required for the immediate needs of the local agency may invest any portion of the money that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.



(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(e) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(f) Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the bankers acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by Moody's Investors Service, Inc. (Moody's), Standard and Poor's (S&P), or Fitch Financial Services, Inc. (Fitch). The corporation that issues the commercial paper shall be organized and operating within the United States, shall have total assets in excess of five hundred million dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated "A" or higher by Moody's, S&P, or Fitch. Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single corporate issue. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.



(h) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(i) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.



(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may only be made upon prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, “significant banking relationship” means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency’s bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency’s activities.

(iii) Acceptance of a local agency’s securities or funds as deposits.

(5) (A) “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery.

(B) “Securities,” for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.



(D) “Securities lending agreement” means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency’s pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(j) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated “A” or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency’s money that may be invested pursuant to this section.

(k) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company’s board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:



(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(l) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(m) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security



interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(n) Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

SEC. 21. Section 53635 of the Government Code is amended to read:

53635. This section shall apply to a local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

This section shall be interpreted in a manner that recognizes the distinct characteristics of investment pools and the distinct administrative burdens on managing and investing funds on a pooled basis pursuant to Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3.

A local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other agencies may invest in commercial paper pursuant to subdivision (g) of Section 53601, except that the local agency shall be subject to the following concentration limits:

(a) No more than 40 percent of the local agency's money may be invested in eligible commercial paper.

(b) No more than 10 percent of the local agency's money that may be invested pursuant to this section may be invested in the outstanding commercial paper of any single corporate issuer.

(c) No more than 10 percent of the outstanding commercial paper of any single corporate issuer may be purchased by the local agency.

SEC. 21.5. Section 53635 of the Government Code is amended to read:

53635. (a) This section shall apply to a local agency that is a county, a city and a county, or other local agency that pools money in deposits



or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

This section shall be interpreted in a manner that recognizes the distinct characteristics of investment pools and the distinct administrative burdens on managing and investing funds on a pooled basis pursuant to Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3.

A local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other agencies may invest in commercial paper pursuant to subdivision (g) of Section 53601, except that the local agency shall be subject to the following concentration limits:

(1) No more than 40 percent of the local agency's money may be invested in eligible commercial paper.

(2) No more than 10 percent of the local agency's money that may be invested pursuant to this section may be invested in the outstanding commercial paper of any single corporate issuer.

(3) No more than 10 percent of the outstanding commercial paper of any single corporate issuer may be purchased by the local agency.

(b) Notwithstanding Section 53601, the City of Los Angeles shall be subject to the concentration limits of this section for counties and cities and counties with regard to the investment of money in eligible commercial paper.

SEC. 22. Section 53646 of the Government Code is amended to read:

53646. (a) (1) In the case of county government, the treasurer shall annually render to the board of supervisors and any oversight committee a statement of investment policy, which the board shall review and approve at a public meeting. Any change in the policy shall also be reviewed and approved by the board at a public meeting.

(2) In the case of any other local agency, the treasurer or chief fiscal officer of the local agency shall annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.

(b) (1) The treasurer or chief fiscal officer shall render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the



report. Except as provided in subdivisions (e) and (f), this report shall include the type of investment, issuer, date of maturity par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

(2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance.

(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

(4) In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

(c) Pursuant to subdivision (b), the treasurer or chief fiscal officer shall report whatever additional information or data may be required by the legislative body of the local agency.

(d) The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly.

(e) For local agency investments that have been placed in the Local Agency Investment Fund, created by Section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the treasurer or chief fiscal officer may supply to the governing body, chief executive officer, and the auditor of the local agency the most recent statement or statements received by the local agency from these institutions in lieu of the information required by paragraph (1) of subdivision (b) regarding investments in these institutions.

(f) The treasurer or chief fiscal officer shall not be required to render a quarterly report, as required by subdivision (b), to a legislative body or any oversight committee of a school district or county office of education for securities, investments, or moneys held by the school



district or county office of education in individual accounts that are less than twenty-five thousand dollars (\$25,000).

(g) Except as provided in subdivisions (h) and (i), each city, county, or city and county shall submit copies of its second and fourth quarter reports to the California Debt and Investment Advisory Commission within 60 days after the close of the second and fourth quarters of each calendar year. Any city, county, or city and county not required to submit a report pursuant to subdivision (h) or (i) shall file with the commission a written statement within 60 days of the end of the second and fourth quarters of the calendar year stating the distribution and amount of its investment portfolio and that it is therefore not subject to this reporting requirement. This subdivision shall become inoperative on January 1, 2007.

(h) A city shall not be required to submit a quarterly report to the commission if, during the entire reporting period, the city has maintained 100 percent of its investment portfolio in (1) the treasury of the county in which it is located for investment by the county treasurer pursuant to Section 53684, (2) the Local Agency Investment Fund created by Section 16429.1, (3) National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, or (4) in any combination of these.

(i) A county or city and county shall not be required to submit a quarterly report to the commission if, during the entire reporting period, the county has maintained 100 percent of its investment portfolio in (1) the Local Agency Investment Fund created by Section 16429.1, (2) National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, or (3) in any combination of these.

(j) The city, county, or city and county investor of any public funds, no later than 60 days after the close of the second quarter of each calendar year and 60 days after the subsequent amendments thereto, shall provide the statement of investment policy required pursuant to this section, to the California Debt and Investment Advisory Commission.

SEC. 23. Section 54960.1 of the Government Code is amended to read:

54960.1. (a) The district attorney or any interested person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of Section 54953, 54954.2, 54954.5,



54954.6, 54956, or 54956.5 is null and void under this section. Nothing in this chapter shall be construed to prevent a legislative body from curing or correcting an action challenged pursuant to this section.

(b) Prior to any action being commenced pursuant to subdivision (a), the district attorney or interested person shall make a demand of the legislative body to cure or correct the action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5. The demand shall be in writing and clearly describe the challenged action of the legislative body and nature of the alleged violation.

(c) (1) The written demand shall be made within 90 days from the date the action was taken unless the action was taken in an open session but in violation of Section 54954.2, in which case the written demand shall be made within 30 days from the date the action was taken.

(2) Within 30 days of receipt of the demand, the legislative body shall cure or correct the challenged action and inform the demanding party in writing of its actions to cure or correct or inform the demanding party in writing of its decision not to cure or correct the challenged action.

(3) If the legislative body takes no action within the 30-day period, the inaction shall be deemed a decision not to cure or correct the challenged action, and the 15-day period to commence the action described in subdivision (a) shall commence to run the day after the 30-day period to cure or correct expires.

(4) Within 15 days of receipt of the written notice of the legislative body's decision to cure or correct, or not to cure or correct, or within 15 days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall be required to commence the action pursuant to subdivision (a) or thereafter be barred from commencing the action.

(d) An action taken that is alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in substantial compliance with Sections 54953, 54954.2, 54954.5, 54954.6, 54956, and 54956.5.

(2) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement thereto.

(3) The action taken gave rise to a contractual obligation, including a contract let by competitive bid other than compensation for services in the form of salary or fees for professional services, upon which a party has, in good faith and without notice of a challenge to the validity of the action, detrimentally relied.

(4) The action taken was in connection with the collection of any tax.



(5) Any person, city, city and county, county, district, or any agency or subdivision of the state alleging noncompliance with subdivision (a) of Section 54954.2, Section 54956, or Section 54956.5, because of any defect, error, irregularity, or omission in the notice given pursuant to those provisions, had actual notice of the item of business at least 72 hours prior to the meeting at which the action was taken, if the meeting was noticed pursuant to Section 54954.2, or 24 hours prior to the meeting at which the action was taken if the meeting was noticed pursuant to Section 54956, or prior to the meeting at which the action was taken if the meeting is held pursuant to Section 54956.5.

(e) During any action seeking a judicial determination pursuant to subdivision (a) if the court determines, pursuant to a showing by the legislative body that an action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 has been cured or corrected by a subsequent action of the legislative body, the action filed pursuant to subdivision (a) shall be dismissed with prejudice.

(f) The fact that a legislative body takes a subsequent action to cure or correct an action taken pursuant to this section shall not be construed or admissible as evidence of a violation of this chapter.

SEC. 23.5. Section 61601.20 is added to the Government Code, to read:

61601.20. Notwithstanding Sections 61600 and 61601, whenever the Board of Directors of the Nipomo Community Services District determines, by resolution, that it is feasible, economically sound, and in the public interest for the district to exercise its powers for the purpose of installing or planting and maintaining landscaping within public street rights-of-way or easements within the district, the board may adopt that additional purpose by resolution, and thereafter the powers of the district may be exercised for that purpose. The district shall, for the purpose of installing or planting and maintaining landscaping, be authorized to provide for and accomplish that purpose through proceedings pursuant to the Landscaping and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code). Prior to imposing any assessments authorized by this section, the district shall comply with Article XIII D of the California Constitution.

SEC. 23.7. Section 5786.7 of the Public Resources Code is amended to read:

5786.7. Notwithstanding any other provision of law:

(a) If a majority of the voters voting on the question at a general district or special district election are in favor, the Parker Dam Recreation and Park District may do all of the following:



(1) Purchase or lease electric power from any public agency or private entity for use within the district's boundaries.

(2) Acquire water and water rights and do any act necessary to furnish sufficient water for beneficial use within the district's boundaries.

(3) Sell, dispose of, and distribute water and electric power for use within the district's boundaries.

(4) Provide street lighting facilities and services.

(b) Provided that the authority to exercise these powers is approved by the local agency formation commission and conforms to Article XIII C of the California Constitution, the Camp Meeker Recreation and Park District may exercise the powers of a county water district pursuant to:

(1) Article 1 (commencing with Section 31000) to Article 9 (commencing with Section 31100), inclusive, of Part 5 of Division 12 of the Water Code.

(2) Part 6 (commencing with Section 31300) of Division 12 of the Water Code.

(3) Part 7 (commencing with Section 31650) of Division 12 of the Water Code.

(c) The Coachella Valley Recreation and Park District and the Hesperia Recreation and Park District may provide street lighting facilities and services.

(d) The Lucerne Recreation and Park District may exercise any of the powers, functions, and duties of a fire protection district pursuant to the Fire Protection District Law of 1987, Part 3 (commencing with Section 13800) of Division 12 of the Health and Safety Code.

SEC. 24. Section 8801 of the Public Resources Code is amended to read:

8801. (a) The system of plane coordinates that has been established by the United States Coast and Geodetic Survey for defining and stating the positions or locations of points on the surface of the earth within the State of California is based on the North American Datum of 1927 and is identified as the "California Coordinate System." After January 1, 1987, this system shall be known as the "California Coordinate System of 1927."

(b) The system of plane coordinates which has been established by the National Geodetic Survey for defining and stating the positions or locations of points on the surface of the earth within the State of California and which is based on the North American Datum of 1983 shall be known as the "California Coordinate System of 1983."

(c) As used in this chapter:

(1) "NAD27" means the North American Datum of 1927.

(2) "CCS27" means the California Coordinate System of 1927.



- (3) “NAD83” means the North American Datum of 1983.
- (4) “CCS83” means the California Coordinate System of 1983.
- (5) “USC&GS” means the United States Coast and Geodetic Survey.
- (6) “NGS” means the National Geodetic Survey or its successor.
- (7) “FGCS” means the Federal Geodetic Control Subcommittee or its successor.

(8) “CSRC” means the California Spatial Reference Center or its successor.

(9) “CSRS-H” means the California Spatial Reference System-Horizontal.

(10) For the purposes of State Plane Coordinates, first order or better FGCS accuracy standards are considered equivalent to two centimeter or better horizontal accuracy as defined by the Federal Geographic Data Committee’s “Geospatial Positioning Accuracy Standards, Part 2: Standards for Geodetic Networks.” Second order or better accuracy is similarly considered as equivalent to five centimeter or better accuracy pursuant to the same federal standards.

(d) The use of the term “State Plane Coordinates” refers only to CCS27 and CCS83 coordinates.

(e) The system of horizontal geodetic control stations within California whose horizontal positions have been determined by Global Positioning System survey methods in accordance with first order or better FGCS standards and specifications and whose positions are published by the NGS, CSRC, or its successor, shall be known as the “California Spatial Reference System-Horizontal.”

SEC. 25. Section 8811 of the Public Resources Code is repealed.

SEC. 26. Section 8812 of the Public Resources Code is amended and renumbered to read:

8811. If the survey of any parcel of land extends from one coordinate zone into another, the positions of all points delineated upon the map thereof may be referred to either of these zones. The zone which is used shall be specifically named in the title upon the map.

SEC. 27. Section 8812 is added to the Public Resources Code, to read:

8812. Prior to January 1, 2000, state plane coordinates shall be based on, or derived from, the plane coordinates of monumented second order or better horizontal control stations that have been published by the USC&GS or NGS. Any survey or map that uses those coordinates shall be based on, and show, established field-observed direct connections to at least two stations of corresponding or better accuracy whose credentials are based upon published stations of the USC&GS or NGS. The geodetic positions of CCS27 and CCS83 stations that are used to increase the density of control and that purport to be of second order or



better accuracy shall have been surveyed in conformity with the applicable survey standards and specifications in effect at the time of the survey as defined by the FGCS.

SEC. 28. Section 8813 of the Public Resources Code is repealed.

SEC. 29. Section 8813 is added to the Public Resources Code, to read:

8813. After December 31, 1999, any survey or map that uses state plane coordinates or geodetic positions shall be based on, and show, field-observed direct connections to at least two stations that are one of the following:

(a) Included in the CSRS-H.

(b) Located outside the State of California and meet all the requirements for inclusion in the CSRS-H, as defined in subdivision (e) of Section 8801, except for the requirement that they be inside California.

(c) Shown on a subdivision map, record of survey, or a map filed with the county surveyor by a public officer and whose horizontal positions have been determined by Global Positioning System survey methods in accordance with first order or better FGCS standards and specifications and whose state plane coordinates are based on field-observed direct, nontrivial connections to at least two stations that are included in subdivision (a) or (b).

SEC. 30. Section 8813.1 of the Public Resources Code is repealed.

SEC. 31. Section 8813.2 of the Public Resources Code is repealed.

SEC. 32. Section 8815.1 of the Public Resources Code is amended to read:

8815.1. When CCS83 coordinates are shown on any map or document, the map, corner record, or document shall state the epoch (date) that is the basis of the coordinate values shown. The epoch shall be shown on the map, corner record, or document by an appropriate note on the map, corner record, or document or by adding a suffix in parentheses after CCS83 that states the epoch; for example, “CCS83 (1991.35)” is the epoch in a decimal year format.

SEC. 33. Section 8815.2 of the Public Resources Code is amended to read:

8815.2. The epoch for a survey using CCS83 coordinate shall be the NGS-published epoch of a published coordinate for a controlling station used for that survey. Surveys performed after December 31, 1999, shall be based on the “1991.35” epoch or a subsequent epoch, as specified in Section 8815.1.

SEC. 34. Section 8815.3 of the Public Resources Code is amended to read:

8815.3. When the published epochs of the controlling stations for a survey using CCS83 coordinates are not the same, appropriate adjustments shall be made to the horizontal positions of controlling stations so that the coordinates of all the controlling stations are consistent. These adjustments in the horizontal positions of controlling stations shall be made in accordance with procedures and values published by the NGS or CSRC.

SEC. 35. Section 8815.4 of the Public Resources Code is repealed.

SEC. 36. Section 8815.4 is added to the Public Resources Code, to read:

8815.4. When a purported order of accuracy of second order or better is shown for CCS83 coordinate values on any map, corner record, or document, that map, corner record, or document shall use the order of accuracy as defined by the FGCS. If an FGCS order of accuracy is claimed for a survey or a map, it shall be justified by additional written data that shows equipment, procedures, closures, adjustments, and a control diagram.

SEC. 37. Section 8817 of the Public Resources Code is amended to read:

8817. Prior to January 1, 1995, use of State Plane Coordinates for new projects may be based either on CCS27 or CCS83. On or after January 1, 1995, when State Plane Coordinates are used on new surveys and new mapping projects, the use shall be limited to CCS83. However, nothing in this section shall preclude a survey from retracement of a CCS27 survey.

SEC. 38. Section 8819 of the Public Resources Code is amended to read:

8819. This chapter does not prohibit the use of new geodetic surveying technologies for which FGCS specifications have not yet been published, except that if first order or second order accuracy is claimed for any of the resulting monumented stations, the state plane coordinates shall conform to FGCS accuracy standards.

SEC. 39. Section 50731.5 of the Water Code is amended to read:

50731.5. (a) Nominations for the office of trustee shall be made by petition filed with the secretary not earlier than 75 days or later than 5 p.m. on the 54th day before the election.

(b) The petition shall be signed as follows:

(1) If there are 15 or more qualified voters in the district, by five or more qualified voters.

(2) If there are less than 15 qualified voters in the district, by one or more qualified voters.

(c) Notice that the petitions may be received shall be published once by the secretary at least seven days prior to the final date for receiving



petitions. If the election includes the balance of an unexpired term, the notice shall state that the petition must indicate whether the nomination is for that unexpired term. The notice shall be published in a newspaper in each county in which any of the district lands are situated, if any newspaper is published therein, and if not, in a newspaper having general circulation therein.

SEC. 40. Section 50731.6 of the Water Code is amended to read:

50731.6. The nomination petition shall be in substantially the following form:

OFFICIAL FILING PETITION

Nomination of Candidate

We, the undersigned voters of Reclamation District No. _____, hereby nominate _____ (name of candidate) for the office of Trustee of the District for a term of _____ years.

Name	Date	Residence
_____	_____	_____
_____	_____	_____
_____	_____	_____

Affidavit of Circulator

State of California)
County of _____) ss.

_____ (name of circulator), being duly sworn, deposes and says:

That _____ (he/she) circulated the foregoing petition and saw all the signatures appended thereto and knows that they are the signatures of the persons whose names they purport to be.

(Signature of circulator)

Subscribed and sworn to before me
this ____ day of _____, 20____.

Notary Public in and for the County
of _____, State of California.
My commission expires _____.

Affidavit of Nominee



State of California)
County of _____) ss.

_____ (name of nominee), being duly sworn, says that he/she is the above-named nominee for the office of _____ (office), that he/she will accept the office in the event of his/her election, that he/she desires his/her name to appear on the ballot as follows:

(Print name above)

that he/she desires the following occupational designation, containing not more than three words, to appear on the ballot under his/her name, and that this designation is correct.

(Print desired designation, if any, above)

(Signature of nominee)

Subscribed and sworn to before me
this ____ day of _____, 20__.

Notary Public in and for the County
of _____, State of California.

My commission expires _____.

SEC. 41. Section 21.5 of this bill incorporates amendments to Section 53635 of the Government Code proposed by both this bill and AB 2122. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2003, (2) each bill amends Section 53635 of the Government Code, and (3) this bill is enacted after AB 2122, in which case Section 21 of this bill shall not become operative.

SEC. 42. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

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